



United States Senate
**Committee on Small Business
and Entrepreneurship**

Olympia J. Snowe, Chair

Thursday, October 20, 2005
<http://sbc.senate.gov>

For Immediate Release:
Contact: Chris Chichester
202-228-5843

**SNOWE URGES SMALL BUSINESS ADMINISTRATION TO HIRE
MORE KATRINA RELIEF WORKERS**

Describes Processing and Contracting Staff Levels Inadequate in Letter to SBA Administrator

(Washington, DC) - Continuing her aggressive effort to ensure that sufficient federal resources are available in the Gulf Coast region, U.S. Senator Olympia J. Snowe (R-Maine), Chair of the Senate Committee on Small Business and Entrepreneurship, today strongly urged the Small Business Administration to expand and intensify its efforts to hire additional personnel to expedite the processing of disaster loans and to expand opportunities for small businesses to participate in the recovery and rebuilding efforts.

In a letter to Small Business Administration Administrator Hector Barreto, Senator Snowe wrote:

"As the Chair of the Senate Committee on Small Business and Entrepreneurship, I strongly urge you to expand and intensify your efforts to hire additional personnel to facilitate the rebuilding of the Gulf Coast region after the destruction caused by Hurricane Katrina and Hurricane Rita . . .

"I understand that thus far 130,251 hurricane disaster loan applications have been received by the SBA. Of those applications, 46,281 were submitted just in the last week, and 70,469 were submitted in the last two weeks. Clearly, additional personnel are warranted to respond to this great demand for assistance. The SBA has so far approved 1,916 disaster loans for victims of Hurricanes Katrina and Rita; 1,048 of those approvals were made in the first six weeks after Hurricane Katrina hit the Gulf Coast, and the remaining 868 were made in the last week alone . . .

"This week I sent Committee staff to the Gulf region to examine the SBA's disaster loan processing facilities to determine the nature and extent of the reported delays in loan approvals. Based upon the staff's determinations, the SBA needs additional personnel at the Fort Worth Processing Center to input information, scan disaster applications, and process home and business loans. The SBA has already hired additional employees in response to the two hurricanes, and continues to seek more workers. The SBA has admitted, however, that it needs an additional 1,000 employees to meet demand in the Fort Worth processing center . . .

"In addition, the SBA has a critical need for at least 200 more 'field' employees. This includes additional contractors or employees to act as loss verifiers to visit disaster sites, assess damage, and verify losses for the purposes of preparing loan disbursements. The SBA should make every effort to work with national and local home building and contractor trade groups to find qualified personnel to fill its requirements. The Committee's staff has contacted several groups that have indicated interest in assisting with this crucial endeavor, and the staff could provide you with this information if you do not already have it . . .

"I understand that it has been the SBA's intention, since the initial implementation of the new Disaster Credit Management System (DCMS) in December 2004, to create a fully automated process so applications can be submitted electronically and over the internet. Based on what I have been told, however, the SBA does not expect to have that full capability until September 2006. Until that capability is realized, SBA employees must manually input the information from each application into the SBA's computer system . . .

"As businesses attempt to rebuild from the disasters, the SBA must also strengthen its procurement assistance staff. The Agency's past budgeting decisions left the Gulf Coast states with just three Procurement Center Representatives (two in Alabama, one in Louisiana, and none in Mississippi) and just one Commercial Market Representative (who is also a PCR in Louisiana) to help small businesses with prime contracting and subcontracting opportunities. These unequal and minuscule staffing levels are unacceptable."

The letter is attached.

###